Today's environmental review and permitting processes are challenging to navigate. They are disjointed and characterized by multiple overlapping and uncoordinated government regulations. Most importantly, these processes are not publicly visible or understandable. A difficult regulatory maze faces every project.

Undoing the Regulatory Maze
Integrated Permitting System ("IPS")

Permitting decisions are shaped by each individual agency's legally mandated authorities and accompanying administrative procedures. In most cases, agency decisions are prioritized and focus on the protection of a specific environmental element, such as fish, water, air, or land use. The outward focus and evaluation of the project public interest benefits tends to only be addressed as this intersects with specific media-based agency concerns.

Further, those agencies tasked by regulation to undertake a project-specific public interest review do not generally start this analysis (or provide feedback) until very late in the process. Agency direction regarding the project's public interest benefits is usually not timely to guide early applicant-based project decision-making.

For the most part each agency administers its regulations separately. This results in a mishmash of competing (uncoordinated) process requirements and uncertainty due to agency delay in validating the project public interest benefits.

As such, the risk and tasks associated with ferreting out (integrating and

Carl Kassebaum
CRK Environmental Management

ckassebaum@comcast.net
(206) 525-6047

coordinating) the project public interest benefits with the individual agency administrative needs, by default, falls to the project. Because of the regulatory maze created, the project tends to lurch from one agency requirement to the next and then back again until finally all requirements are eventually integrated and resolved.

An unintended consequence is that much of the legislative intent and purpose for the various environmental regulations and associated project environmental review gets lost in a needless, mind-numbing sea of paperwork.

Tremendous amounts of time and money are spent on redundant and uncoordinated processes. Project delays and diversions of public resources away from environmental improvements is the norm.

A Classic Example

Independent and uncoordinated agency permit reviews have resulted in a 2-year time delay for a currently proposed marina project in Northern Puget Sound. The permit conditions placed on this project are essentially unchanged from those as originally proposed by the applicant. The project delays experienced by the project cannot be rationalized or justified by commensurate environmental protections; they were administrative rather than substantive-based.

What is clear is that the delays have adversely (and potentially eliminated) project financing, as the bank reassesses project risks based on the perceived difficulties associated with project permitting.

To various degrees, this example repeats itself for virtually every project that is being permitted today.

Streamlining and Simplification Tried

Numerous legislative and administrative attempts have been made to address regulatory and permitting problems by reducing or artificially constraining agency-specific substantive regulatory authorities. These efforts usually fail because divergent interests offset and balance each other with the net result of no real change. And, enormous resources are always expended in the fight to implement the reform.

Why is the Integrated Permitting System (IPS) Different?

The Integrated Permitting System (IPS) **will not** modify or change individual agency regulatory-based authorities, including ability to issue and condition permit(s). However, the IPS **will** change individual agency process and procedure requirements. These changes will for the first time result in a **single, integrated process** in which everyone's role, including the general public, is defined and understandable to all.

How Can Process Improvements Occur Yet Still Maintain Existing Agency Authorities?

The answer is to look for areas of commonality. Our search found that the **only commonality** (integrating mechanism) to unify the divergent processes and address the multitude of requirements is the **project itself**.

Only when all processes and procedures have been completed and any duplicative or conflicting requirements harmonized may construction begin. The responsibility to perform this function is, by default, thrust upon the project.

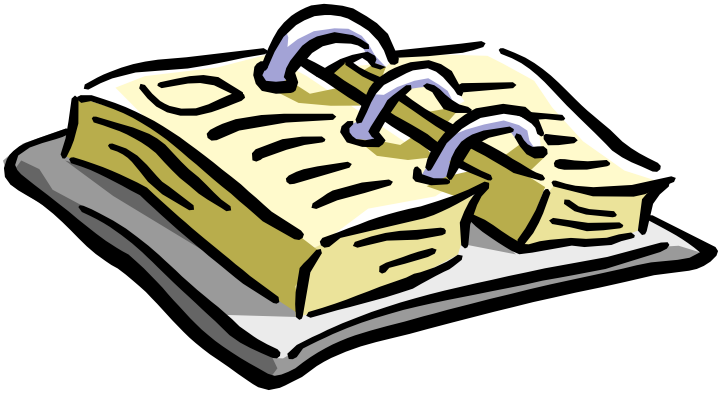
It is clear that significant overall process improvements will be achieved if the existing processes are revised **to better reflect the project's public interest benefits** rather than individual agency administrative needs. Significant project timeline efficiencies, and enhancement of environmental protection opportunities, are readily achievable **if the project's administrative record is consolidated and formatted around the project itself.**

Project-Based Regulatory System

The IPS is a **project-based regulatory system.** All relevant analyses needed to support project authorization are integrated and contained in a **single stand-alone** project **"Support Document"** covering:

- Planning
- Design
- Environmental Review (NEPA/SEPA)
- Permitting
- Mitigation
- Monitoring

The project **Support Document is then relied upon by each individual agency** to support the issuance and conditioning of its specific permit(s).



How Does the IPS Work?

The underlying principle of the IPS is reliance on a single, integrated project Support Document. However, at the start of any project, there will not be sufficient knowledge to immediately compile the project Support Document. Therefore, the project Support Document is prepared incrementally over time and working towards predefined Public Involvement Events.

Project Work Plan

First efforts are focused on developing the project Work Plan

that is used to direct the development of the project Support Document. Important components of the Work Plan include:

1. **Charter (Roles, Responsibilities, and Commitments)** – The Charter defines how the multiple parties (applicant, agencies and the public) participate in the development and use of the project Support Document. Critical issues to decide in the Charter include:

   - Definition and agreement of each participating agency's roles, responsibilities, and commitments to develop and use both the project Work Plan and project Support Document
   - Interagency agreement to the dispute resolution procedure to be used on the project
   - Identification and definition of how Memorandums of Agreements (MOAs) applicable to the project will be used

2. **Critical Path Flow Chart** – The project Critical Path Flow Chart defines:

   - All important interim project steps, including information

gathering and analyses, and associated interim project decision points

- All Public Involvement Events
- The linkages and interconnections of the project steps and Public Involvement Events. This includes defining which activities must be completed prior to making interim project decisions and the corresponding Public Involvement Event.
- The quality of information needed in the project Support Document to support each interim project decision and each Public Involvement Event.
- The project's master timeline.

3. **Public Involvement Process** – This is a detailed written description of the process for public involvement and includes guidance on how the interested public may most effectively participate at each Public Involvement Event.

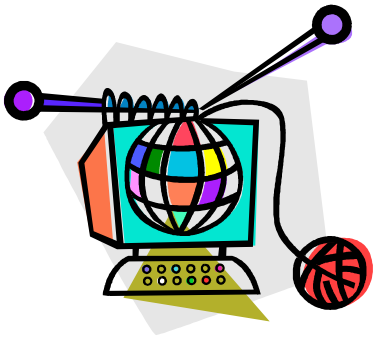
Support Document Preparation

Second efforts are focused on developing the project Support Document.

Initially, the project Support Document consists of standardized guidance materials (templates, suggested outline, checklists, project manager directions, etc) to aid and direct its preparation. At each Public Involvement Event, the project Support Document is revised and expanded to incorporate appropriate information and analyses to support the corresponding interim project steps and decisions.

Website Use

A unique feature of the IPS is reliance on a project website as the primary tool to develop the project Support Document. At each Public Involvement Event, the public is



informed of the project's status by project website update showing the revised/new official project Support Document

The project Support Document, as revised and residing on the website, constitutes the **only "official" project story**, and replaces the previous version of the project Support Document.

The **most important benefit** of the website is that the public has complete access to the **only official** project Support Document at all times. Interested parties may provide comment at any time via email or other traditional methods.

The website also functions as the centralized repository to create the project Support Document. This is accomplished via project manager control and "password protection". The project manager will initially develop a detailed outline for the project. As directed by the project Work Plan, the project manager will task specific individuals to write specific sections of the project Support Document. These assembled sections constitute the project internal "working draft", which is provided by the project manager to designated individuals (applicant staff, consultants, agency, and others) for review and edit. Internal review continues until the project manager determines that the project Support Document working draft is appropriate to support the next identified Public Involvement Event.

Support Document Format

The project Support Document consists of three sections – Summary and Status, Main Body, and Appendices.

- The **Summary and Status** provides an update and roadmap of where the project is, where it has been, and where it is going. Important decisions and issues which have been resolved are identified. Unresolved issues and specific plans to address them are also identified.

- The **Main Body** tells the project story in succinct, non-technical readable language. At early project stages, the main text is composed of completed sections, sections with preliminary information, and sections with no information. Incomplete or blank sections are filled in at each subsequent Public Involvement Event and culminate with a

complete and final document at the final Public Involvement Event. The target audiences for this section are decision-makers and concerned parties.

- The **Appendices** provide the detailed technical analytical support for the project story contained in the Main Body text, and provides the detailed analyses needed by regulatory authorities to support their environmental review and permit decisions. The appendices, along with the rest of the document constitute the project's administrative record. One of these Appendices is wholly dedicated to the documentation of the project's Public/Interested Party involvement.

Agency Permit Issuance

The final stages of the IPS process involve the preparation and issuance

of all the permits and authorizations needed to construct and operate the project.

A unique IPS element is that the administrative record as compiled in the project Support Document is relied upon (rather than develop a new record) by each individual agency to support the issuance and conditioning of its specific permit(s). This is facilitated and made possible by cooperative development (the applicant and each permitting agency) of the detailed analyses and evaluations that create the administrative record of how the project complies with each individual agency's underlying laws, regulations, policies, and guidance. This process is directed by the Project Work Plan and begins from earliest possible stages, rather than at the end as done today.

The benefits of cooperatively developing the needed information to support individual agency permit issuance and conditioning decisions include:

- Project scoping and planning is accomplished in context of each agency's specific regulatory authorities and requirements.
- New written documentation, as currently done by each permitting agency to support permit issuance and conditioning, is virtually eliminated.
- Overall agency staff effort for project review and issuance processes is reduced.

How does the IPS Differ Compared to Existing Processes?

Each individual agency's administrative procedures are shaped around its specific implementing regulatory directives. Therefore, each agency has differing procedures and requirements and view of its public interest responsibilities. Each project is faced with the daunting task of trying to maintain a consistent story responding to multiple agency needs. For example, it is common for large projects to generate multiple separate stand-alone documents for each of the following project elements:

- Project Engineering Design
- Environmental Review [Environmental Impact Statement (EIS) or Environmental Assessment (EA)]
- Discipline Reports – These documents address project issues of concern such as wetlands, water quality, air quality, mitigation, historic and cultural resources, traffic analyses, etc.
- Permit applications and associated information supplements needed for agencies to determine that their specific application is complete
- Separately prepared agency decision documentation to support permit issuance and conditioning determinations

Typically, each document is prepared independently with minimal or no coordination with the other documents preparation. This results in great overlap and inefficiencies, sometimes with conflicting project requirements. It is standard practice for each document to contain a section which details the writer's understanding of the project description.

It is not uncommon for a major project, at its completion, to have 5 to 15 or more separate project descriptions. Depending on the time of each document's preparation and associated project evolution, the various project descriptions can vary considerably. These inconsistent project descriptions, at best, cause confusion, and at worst result in need for a supplemental EIS and/or significant problems defending a legal challenge.

Today, the major effort to resolve overlap and inconsistencies occurs at the time of permit issuance. At this point, the project needs and associated public interest benefit become sharply contrasted with agency-specific permitting directives. Often because permitting issues were not fully considered earlier in the project, significant project changes and delays are incurred. This acts to emotionally charge the atmosphere surrounding the project and provide

wonderful fodder for newspaper and television coverage.

Conversely the IPS, by always defaulting to the common project Support Document, assures that **only one single**, consistent, integrated story is told at all times. Initially the IPS process produces an incomplete project story. However, at the time of permit issuance, the project story is complete, organized, and fully documented. **A major benefit of this approach is that at the time of permit issuance, there is only one project description.**

The following is a summary list of important differences comparing the IPS to existing processes:

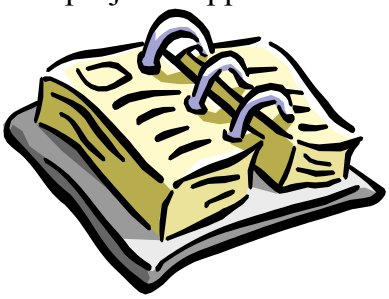
- The project Support Document simultaneously addresses all major project regulatory administrative elements (project design, environmental review, and permitting) to tell a consistent organized project story. Today each regulatory element is independently addressed and documented, with widely varying levels of coordination and integration.

- All participants must rely on a common project Support Document that serves multiple purposes. Separate documentation for project elements will be discontinued.

- The project story told in the project Support Document is consistent and organized. At the completion of the project permitting, the project story is complete, correct and well documented. The project Support Document contains the entire project administrative record. In case of legal challenge, the administrative record is instantly available and ready to use. The need to find, assemble, and organize the project administrative record, as experienced today is eliminated.

The Project Support Document Provides Unique Benefits!

The project Support Document is:



- A **Single** document proactively developed to support and satisfy all environmental review (NEPA and SEPA) and permitting needs.

- A **Single** source to provide documentation and justification for incremental project decisions, thereby facilitating attainment of lasting and durable decisions.

- A **Single** source for public and interested parties to turn to for accurate up-to-date project and regulatory information and understanding.

- A **Single** document upon which each individual agency relies to issue its specific permit(s).

- A **Single** consistent organized project story, located in one place and serving multiple purposes.

IPS Process Benefits

Important benefits of the IPS include:

- Significant **time savings** (and associated **cost savings**) with better environmental results by integrating and streamlining the separate project design, environmental review and permitting processes.

- Standardized, flexible, predictable, and understandable process.

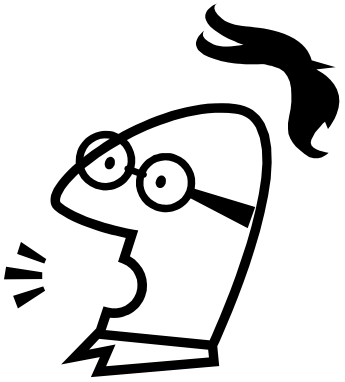
- Timely required coordination, cooperation and communication among the applicant, agency staff, and interested parties.

- No new agency project-specific documentation needs to be prepared to issue or condition permits.

- Full time public access via the project website to the **only "official"** project Support Document.

- An open public process that is transparent and ***"Bathed in Sunshine"*** and providing a consistent, organized project story.

- There will be **"No Surprises"** because only one official version of the project Support Document is available at any one time. Concurrent with



each Public Involvement Event, the project Support Document is revised and becomes the new "official" project story.

- Provides a **complete and organized project administrative** record, which is instantly available and ready to use.

What Actions Have Been Taken To Develop the IPS?

The following IPS-related actions have been completed:

- Washington State Senate Bill 5694 was passed unanimously and signed into law on May 12, 2003 to develop an IPS process. Important law requirements include:
  - Develop project Support Document guidance (template) materials
  - Develop recommendations for agency administrative and statutory legislative changes needed to establish the IPS
  - Test the above using a pilot project
  - Final report to legislature on all of the above by December 1, 2005
  - Two year appropriation of $249,000

  To date, no activity pursuant to Senate Bill 5694 has been undertaken.

- In 2001 the Transportation Planning Efficiency and Accountability Committee (TPEAC) was formed to streamline permit-related processes for transportation projects. TPEAC-related IPS accomplishments include:
  - Developed the concept for the IPS
  - Prepared initial guidance materials to aid and direct project-specific Support Document development.

  Funding for this effort was provided by the Federal Highway Administration to the Washington State Department of Transportation (WSDOT), which issued a consulting contract to complete the work. The funding ($50,000) was sufficient to develop "roadmap level" quality guidance. However, it was not sufficient to fully flesh out many needed guidance materials. Significant areas of detail remain to be completed.

What is the IPS Applicability?

IPS efforts to date have targeted large, complex projects requiring preparation of an EIS. This was done to best leverage limited funding opportunities. However, the IPS concept of a single, integrated Support Document that is commonly relied upon by multiple parties to address multiple purposes has wide-ranging applicability. **Wherever inter or intra agency cooperation is required, the use of a single, integrated Support Document on which to base decision-making is applicable.** Examples include:

- Emergency response (earthquake, terrorist, hazardous waste accidents, etc)
- Land Use planning
  - Watershed
  - Endangered Species Recovery
  - Growth Management
  - Transportation

Currently there is a tremendous chasm between macro-scale landscape-related planning actions and the subsequent project-specific actions. Significant efficiencies and better communication will occur if these landscape plans can become the starting point documentation to prepare the subsequent the project Support Documents.

Provided the formatting (chapter headings and subheadings) for the planning and project-related environmental review/permitting activities are standardized, this is readily achievable. This assures that all applicable and pertinent historical background information is fully and correctly captured in subsequent project Support Documents. Today this linkage is missing.

Additionally, the IPS application to virtually all project-related environmental review and permitting activities is possible. The guidance materials, generated to date, are for use on large, complex projects requiring an EIS. As such, this constitutes the most complicated project Support Document format. To apply to smaller-scale projects, the intensity of the guidance materials would be lessoned appropriately to actual conditions. However, the same overall process using a single project Support Document concept would be maintained.

Specific areas for additional IPS project application include:

- Programmatic permits – The IPS Support Document concept is of particular applicability because the administrative record required for programmatic permits is typically more intense and critical than for individual projects

- Moderately complex projects not requiring an EIS

What Are the Next Steps?

To date the major accomplishments include development of the:

- IPS concept including the common reliance on a **single, integrated** project Support Document.

- IPS Support Document guidance that provides a good basic roadmap for project-specific application.

However, to get full-scale, effective implementation of the IPS, the following need to be undertaken:

- **Test** the IPS Support Document guidance materials prepared as part of the WSDOT consulting contract. Initially, valuable information will be gained by testing individual component elements of the IPS process (e.g., project purpose and need/public interest benefit, alternatives analysis, single common project description, etc.). Then at a later date by testing all the component elements with a single project **("Pilot Project")**.

- **Enhance** the existing guidance materials by additional targeted research and by "lessons learned" via the above testing.

- Define and effect specific **administrative and legal rule changes** to enhance the IPS usability.

- Provide **ongoing review** with updated procedures as project application lessons are learned.